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Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Dear Madam Secretary:

Notice of Ex Parte Presentation, CC Docket No 02-6

Vbrick would like to thank James Bachtell, Mark Nadel and Gina Spade with the Wireline Competition Bureau for participating in a conference call with VBrick to discuss the eligibility of "Video On Demand" servers for the 2009 USAC Eligible Services List (ESL). We appreciate the opportunity to clarify the definition and functions of a Video On Demand server as it pertains to E-rate and K-12 schools and libraries.

We disagree with the proposed ESL for 2009 that Video On Demand servers should be ineligible for E-rate funds.

The ESL glossary incorrectly defines a Video On Demand (VOD) server on Page 45 as follows: "A Video On Demand server stores videos which are available for retrieval at any given time."

The definition should be:

"A Video On Demand server distributes video and audio across a school IP network to classrooms, libraries, and other locations. It contains proprietary software that performs the function of streaming video and audio to an end device such as a PC, Mac, or Set-Top-Box so that it can be displayed on a monitor. It can contain internal storage (ineligible and cost-allocated), external storage (ineligible), or both."

Video On Demand servers have intelligence (via software) that holds a list of video assets and distributes them to end users based on their log in permission attributes. They also can restrict the viewing of copyrighted material, thereby keeping schools compliant with the Teach Act.

Video On Demand servers are analogous to “Email” servers, which are eligible for E-rate funds. Instead of distributing email messages to users, they distribute video and audio content. Users can upload content to a Video On Demand server, as well as receive content via a video stream. “Email” servers are E-rate eligible because they serve as conduit for information rather than as source for content. Video On Demand servers similarly serve as a conduit for information (based as video, instead of data).

As stated earlier, some Video On Demand servers also have internal storage. We agree with USAC and the FCC that the storage portion should be ineligible for E-rate funds. Therefore, any Video On Demand server that contains internal storage should be cost allocated (as they have in previous years).

Video On Demand servers are a key video component of a video distribution system. Most of the other components – video codecs/encoder, Master Control Unit (MCU), PVBX, etc, are all eligible. By eliminating Video On Demand servers from the eligible list, schools and libraries will not be able to purchase a complete system, thereby greatly reducing the overall educational benefits to the students.

There are many benefits to schools and students when they implement a full digital video system:

- Higher scores on standardized tests¹
- Lower Internet bandwidth usage and cost – Most video content resides locally instead on remote servers. Distribution to classrooms is done over the internal IP network instead of the Internet.
- Easier to comply with the Teach Act (copyright issues). VOD servers control video content distribution and limit viewing to remain compliant.
- Automatic distribution of Emergency Alert information throughout the school
- Elimination of VCRs and DVD players including VHS tapes and DVDs. All video content is stored and distributed from the VOD servers. Saves schools time and money.

Many of the schools that purchase video distribution systems using Priority 2 E-rate funds are in poor districts. More affluent schools and libraries can purchase this equipment and thereby gain a learning advantage over poorer schools. The implementation of digital video systems, including VOD servers, allows these poorer schools to take advantage of multi-media learning, and keep up with the more affluent schools.

We hope this information and our conference call provided you with the necessary information to make a decision on the proposed ESL and eligibility of Video-On-Demand servers. Feel free to contact us if you have any questions or need clarification.

Thank You



Stanley P. Jaworski
Chief Marketing Officer
VBrick Systems, Inc.

¹ Study conducted by the University of Michigan in 2004. See eSchoolNews article titled “Video on demand boosts student’s math scores”, June 29, 2004.